2007-05754/

National Energy Board | Office national de l'énergie

NewsRelease

444 Seventh Avenue SW, Calgary, Alberta T2P 0X8

06/23
For immediate release
15 September 2006

NATIONAL ENERGY BOARD RECOGNIZES NERC AS ELECTRIC RELIABILITY ORGANIZATION

CALGARY — The National Energy Board (NEB) signed a Memorandum of Understanding today that promotes reliability standards for international power lines under the NEB's jurisdiction.

This agreement also recognizes the North American Electric Reliability Corporation (NERC) as the Electric Reliability Organization (ERO). Already recognized as the ERO in the U.S., NERC will develop reliability standards for North America's bulk power grid. NERC is seeking to sign similar agreements with the provincial power authorities, who are responsible for the majority of Canada's transmission lines.

Designating a single ERO and applying mandatory reliability standards topped a list of recommendations developed by the Power System Outage Taskforce following the August 2003 blackout that left nearly 10 million Canadians in the dark. Currently, meeting reliability standards, such as ensuring trees don't grow too close to a power line, are not mandatory in Canada.

"We've been longtime supporters of mandatory reliability standards for international power lines and by recognizing NERC as the single ERO in North America, we've taken an important step towards strengthening that goal, said NEB Chairman Kenneth Vollman.

"Canadians and Americans share a common power grid. A common ERO will apply a common set of checks and balances to all owners and operators of the bulk power grid, regardless of their location."

Although the NEB will continue to regulate international power lines that fall under its jurisdiction, NERC will monitor these lines in Canada to ensure compliance with its reliability standards. The NEB will receive regular and transparent reporting from NERC concerning NEB-regulated power lines. These reports will be used to identify international power lines that are non-compliant with NERC's reliability standards.

The NEB is an independent federal agency that regulates several aspects of Canada's energy industry. Its purpose is to promote safety and security, environmental protection, and efficient

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energy infrastructure and markets in the Canadian public interest, within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

This news release is available on the Board's Internet site at www.neb-one.gc.ca under *What's New*!

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For a copy of the MOU:

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